

**Amendments to the Specifications:**

Beginning on page 1, line 9: insert "possess" at line 13; and insert a period at the end of the paragraph.

Aqueous dispersions of polyurethanes or polyurethane-polyacrylate hybrids are well known as basis for the production of coating compositions. They may be used for protective or decorative coating, optionally in combination with additives like coloring agents, pigments, matting agents, and the like. Polyurethanes can ~~posses~~ possess many desirable properties such as good chemical resistance, water resistance, solvent resistance, toughness, abrasion resistance, durability. Thermoplastic polyurethane-polyacrylate hybrid dispersions became of interest regarding to polyurethanes because of their lower raw material costs and they became of interest regarding to polyacrylates because of their better performance.

Beginning on page 2, line 13: at line 22, remove the hyphen from "polisocya-nate" on line 22:

Dispersibility of the polyurethanes or polyurethane-polyacrylate hybrids in water can be achieved by incorporation of appropriate chain pendant ionic groups, chain pendant non-ionic hydrophilic groups, or inchain non-ionic hydrophilic groups in the structure of the polyurethane polymer. If suitable, external surfactants can be applied in addition. Preferably anionic groups are incorporated into the polyurethane backbone, such as carboxylic, sulfonic, sulfate or phosphate groups, by reaction of an isocyanate reactive compound having at least one acid group with a ~~polyiso-cyanate~~ polyisocyanate. Most common is the incorporation of a carboxylic acid functional compound.

Beginning on page 4 line 36 through page 5, line 11: remove hyphen from "Initial-ly" on line 36.

The acid groups in the prepolymer are ~~initial-ly~~ initially neutralized by a tertiary amine functional

unsaturated monomer. In the process of the invention a tertiary amine functional acrylic polymer is formed during the process by radical polymerisation of the tertiary-amino functional unsaturated monomers. When other unsaturated monomers are present a copolymer will be formed during the process including the tertiary amine functional unsaturated monomers and the other unsaturated monomers. The other vinylic monomers which may be present are selected from acrylic alkyl esters, methacrylic alkyl esters, styrene esters or ethers of vinyl alcohol. The other vinylic monomers are present in an amount of 0 to 90%.

Beginning on page 9, line 20: remove the hyphen from "reaction" on line 29.

26.33 g (118.5 mmole) of 3-isocyanatomethyl-3,5,5-trimethylcyclohexylisocyanate (hereafter referred to as IPDI) was added to a mixture of 53.2 g (26.6 mmole) of a polycarbonate diol with a molecular weight of about 2000 (obtainable from Stahl USA as PC-1122) and 5.28 g (37.45 mmole) of 2,2-dimethylol-propanoic acid in 12 g of N-methylpyrrolidone at 60°C while mixing. The mixture was heated to 90°C and the mixture was reacted at 90°C for 2 hrs. After 1 hr of reaction time 0.01 g of tin octoate was added as a catalyst. The ~~reaction~~ reaction mixture was cooled down. The amount of NCO in the obtained prepolymer was 4.32%